

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 00-0323P**

**Use Tax**

**Calendar Years 1995, 1996, 1997, and 1998**

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**ISSUE(S)**

I. **Tax Administration** – Penalty

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

**STATEMENT OF FACTS**

Taxpayer protests the penalty assessed on an audit completed on April 10, 2000.

Taxpayer failed to remit tax on clearly taxable items such as tools and equipment used outside of production, i.e. computer and office equipment, materials for raw material storage, grinders used to sharpen production tools, warehousing supplies, strapping machine utilized for shipping, etc.

1. **Tax Administration** – Penalty

**DISCUSSION**

Taxpayer's audit report revealed that it failed to self assess use tax on clearly taxable items. The taxpayer failed to self assess as required by statute and was made aware in a prior audit that use tax should be self assessed. Taxpayer failed to self assess tax on over eleven percent (11%) of its clearly taxable purchases, therefore the penalty is appropriate.

**FINDING**

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Taxpayer's protest is denied.

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